



# NOTES FROM THE:

## *Deputy Assistant Secretary, Cost and Economics*

by Mr Joseph T. Kammerer

I'm very excited about a new Knowledge Management tool available to everyone in the Air Force Cost Community. This tool is called the Cost Estimate/Analysis Community of Practice (CoP) web portal, and its ultimate goal is to provide a single gateway for cost analysts to access and share knowledge.

When I assumed my current position, I was concerned when I found out the DoD cost community had a variety of historical cost databases, but the data within many was inconsistent. There was no integrated way to look at information across projects and teams, and collaboration and sharing of lessons learned and expert opinion was limited. In addition, there was no ability to capture and share implicit knowledge—knowledge not already in electronic or paper format, but that resided in individuals' minds. The lack of these capabilities was distressing given today's environment of ever diminishing intellectual capital and widely dispersed resources.

The Cost Estimates CoP portal is taking the first steps in solving some of these problems. Before I describe this tool in detail, let me explain some of the terminology. A web portal uses technology to provide access to information and to facilitate collaboration efforts, dialogue, and the exchange of ideas and knowledge among members. However, portals do not manage this information. So, while the Cost Estimates CoP portal links to several cost databases, it is not itself a huge database or data repository.

A community of practice is defined as a group of people informally bound together by a shared expertise and a passion for joint enterprise. Its members usually share the same types of jobs and skills or have some other common interest or bond. Portal technology is used to distribute individuals' knowledge throughout the community—what people know, how they do the things they do, and how they can do them better. For those involved in communities of practice, the payoff for the individual is help in doing his/her job, a sense of belonging, a chance for learning and development, and new challenges. The community as a whole benefits from increased access to expertise, knowledge sharing, and help in building tools, documents, and processes. Lastly, communities of practice are organizationally advantageous because they help drive strategy, transfer knowledge

and best practices, build core capabilities, and increase innovation.

Currently the Cost Estimate CoP website provides one-stop access to a standard cost analysis toolbox. It hosts a powerful search engine that can quickly search through a myriad of web-based cost analysis and research documentation. There are links to cost organizations throughout the DoD and Federally Funded Research Data Centers (FFRDCs). Also, you'll find many helpful links to tools and resources like the Aeronautical Systems Center Cost & Schedule Data Center.

To enhance cross-functional and inter-organizational collaboration, two types of electronic workspaces are hosted on the Cost Estimate CoP website. The first is the Integrated Process Team (IPT) workspace that allows geographically dispersed members to enter and maneuver the workspace from different places at different times. Fundamentally, the IPT workspace provides a shared electronic workspace with Windows-based document management capabilities to maintain team plans, schedules, data, lessons learned, and best practices for their cost projects. The second workspace, the Research Focus Group, is a special interest item within the Cost Estimate CoP. This brand new electronic workspace is used for sharing cutting-edge concepts and technology information, research-oriented resources and hot topics across the cost research community.

The Cost Estimate CoP was developed with the express intent to constantly improve and will eventually be tailored to the DoD cost community. The website is currently accessible from any ".mil" address at: <https://afkm.wpafb.af.mil/ASPs/Cost/entry.asp?Filter=Q>. Please visit the site and provide all the feedback you can so we can work toward realizing the full potential of this tool.

We have also been very busy developing independent cost estimating policies and processes to support the new acquisition process for Space programs. As some of you may already know, Mr Teets, the Under Secretary of the Air Force (SAF/US), has been named the Milestone Decision Authority for all space programs. Additionally, Mr Aldridge,

**Continued on Page 29**

## Cost and Economics—Continued from Page 16

Under Secretary of Defense for Acquisition, Technology, and Logistics, decided for the foreseeable future, the OSD CAIG would not provide an oversight or review role in the process. Therefore, the Air Force now has the full responsibility for providing the independent cost estimate required by **10 U.S.C. Section 2434**.

One of Mr Teets' stated objectives is to acquire national space systems using a fast-paced, streamlined management process that provides consistent, unbiased cost information to optimize the utilization of scarce resources. Mr Teets has further directed the independent cost estimating process incorporate the best practices of other DoD organizations (specifically the National Reconnaissance Office (NRO)), and provide him with high confidence that cost projections are consistent with program schedule and technical content and that the program under review can be executed within the stated cost. The NRO process differs in two major ways from the current process we have grown accustomed to in the Air Force. The process calls for the development of an independent cost estimate in 90 days (vice 180 days), but does not require a Cost Analysis Requirements Description (CARD) be developed (although documents providing technical information are required).

While we have been developing the formal independent cost estimating process, Mr Teets has employed an *ad hoc* process for milestone decisions on two programs, the National Polar-Orbiting Operational Environmental Satellite System and the Global Positioning System. We are incorporating the lessons learned from these program decisions into our policies and processes, to ensure the SAF/US leadership, DoD decision makers, and external oversight partners have cohesive, consistent, traceable, and realistic cost estimates for DoD space system acquisitions.

The Cost Estimate Community of Practice portal and our new role in independent cost estimating for space programs are but two examples of forthcoming changes in the way we conduct our business. These changes dovetail very well with the major transformation efforts in the Air Force Financial Management community as a whole. Investigations into further improvements to our cost processes are underway—I will relate these to you in future editions.

